Software Advice BuyerView: Supply Chain Management
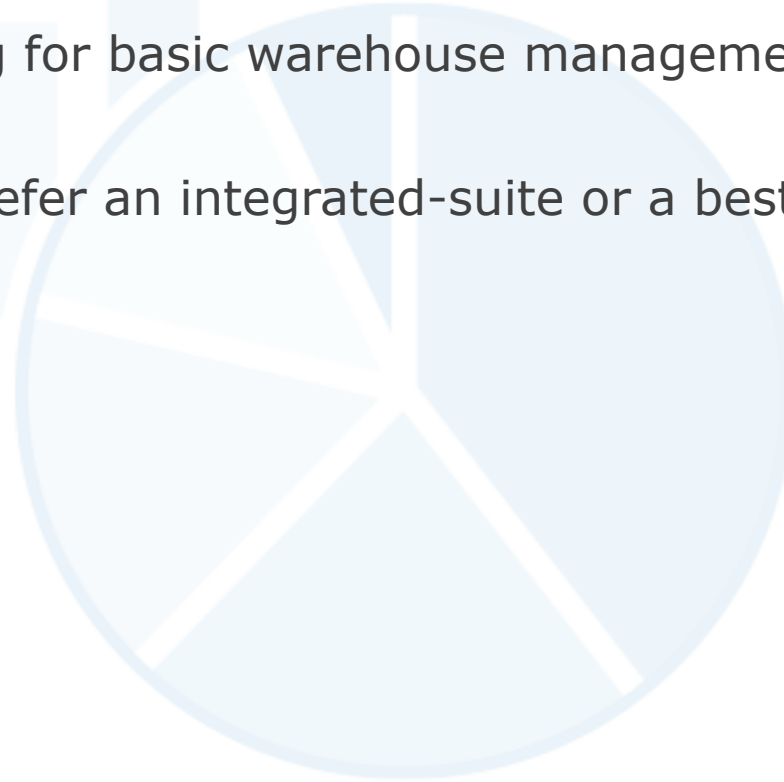
Insight into today's software buyer

Software Advice™

Abstract
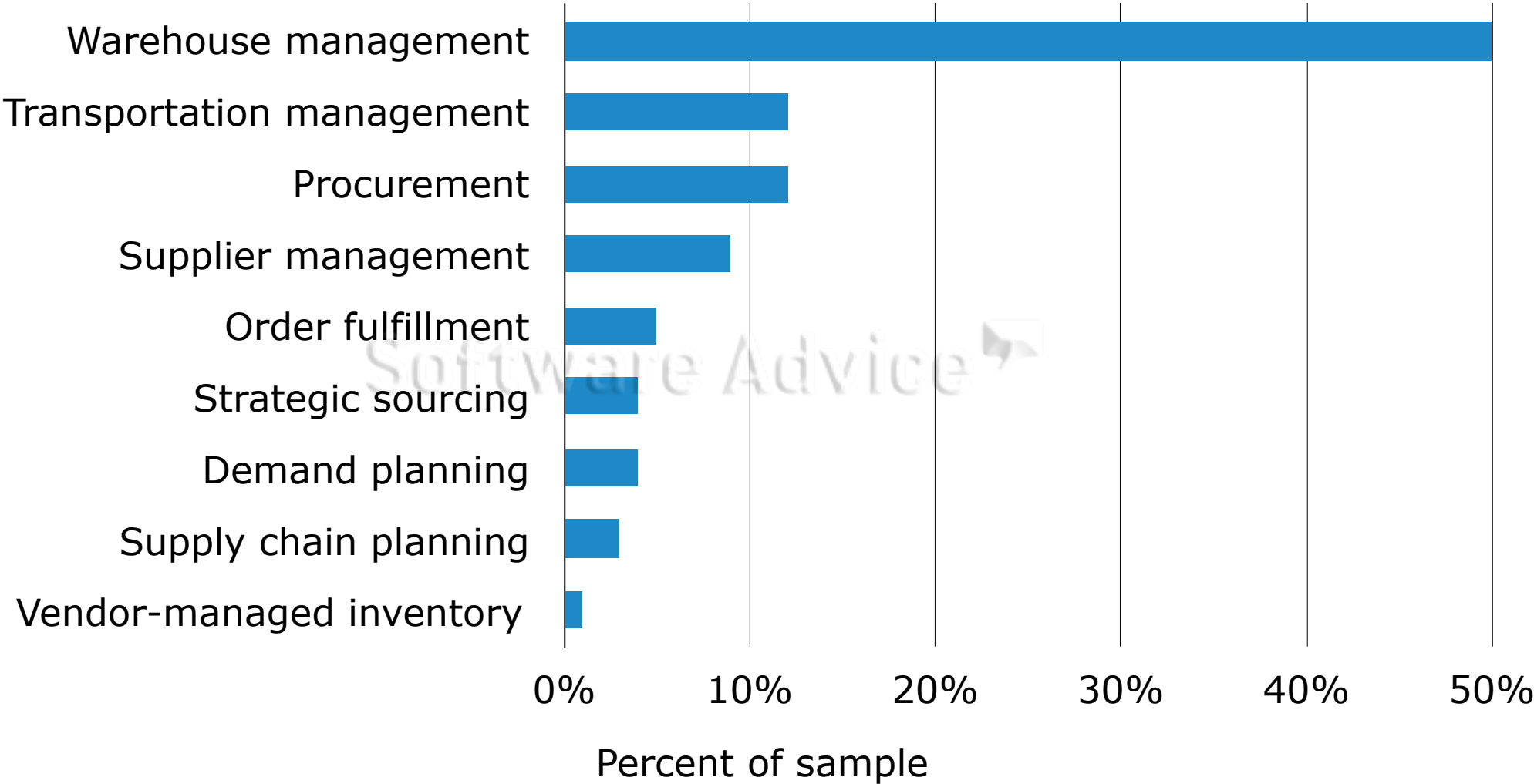
In 2013, we talked to thousands of businesses considering a SCM software purchase. We tapped into a subset of the data to determine two things:

- Are prospective buyers looking for basic warehouse management functions or additional functionality?

- Do prospective SCM buyers prefer an integrated-suite or a best-of-breed solution?

Top-Requested Applications

Application	Percent of sample
Warehouse management	50%
Transportation management	~12%
Procurement	~12%
Supplier management	~9%
Order fulfillment	~5%
Strategic sourcing	~4%
Demand planning	~4%
Supply chain planning	~3%
Vendor-managed inventory	~1%

Percent of sample

50 percent of the buyers sampled said they were looking for a basic warehouse management application.

Prospective Buyers' Current Methods
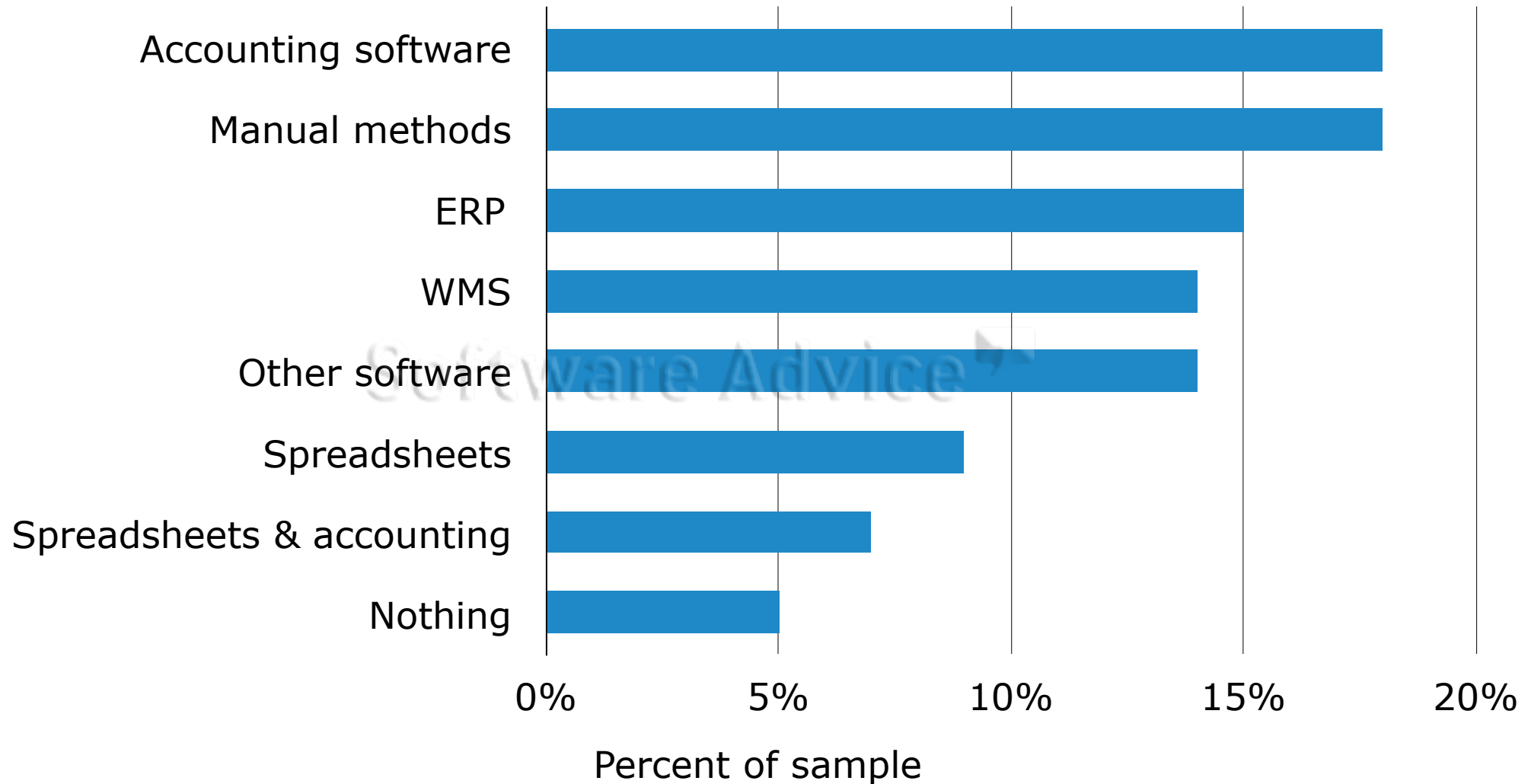
15 percent of buyers were using an enterprise resource planning (ERP) system, while another 14 percent were using a warehouse management system (WMS).

Integration Preferences
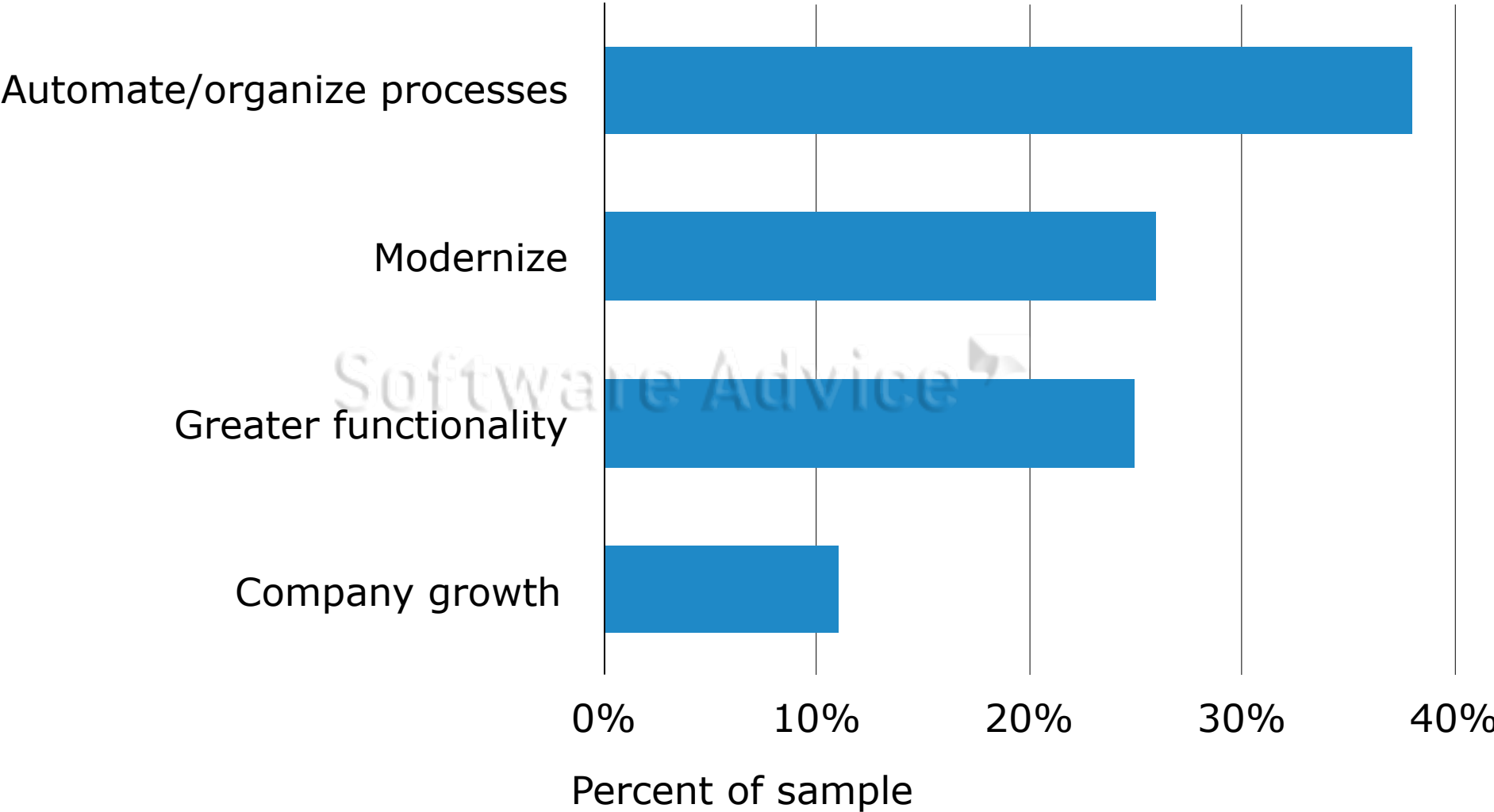

Legend:
- Integrated suite
- Best-of-breed
- Multiple products

23%

5%

72%
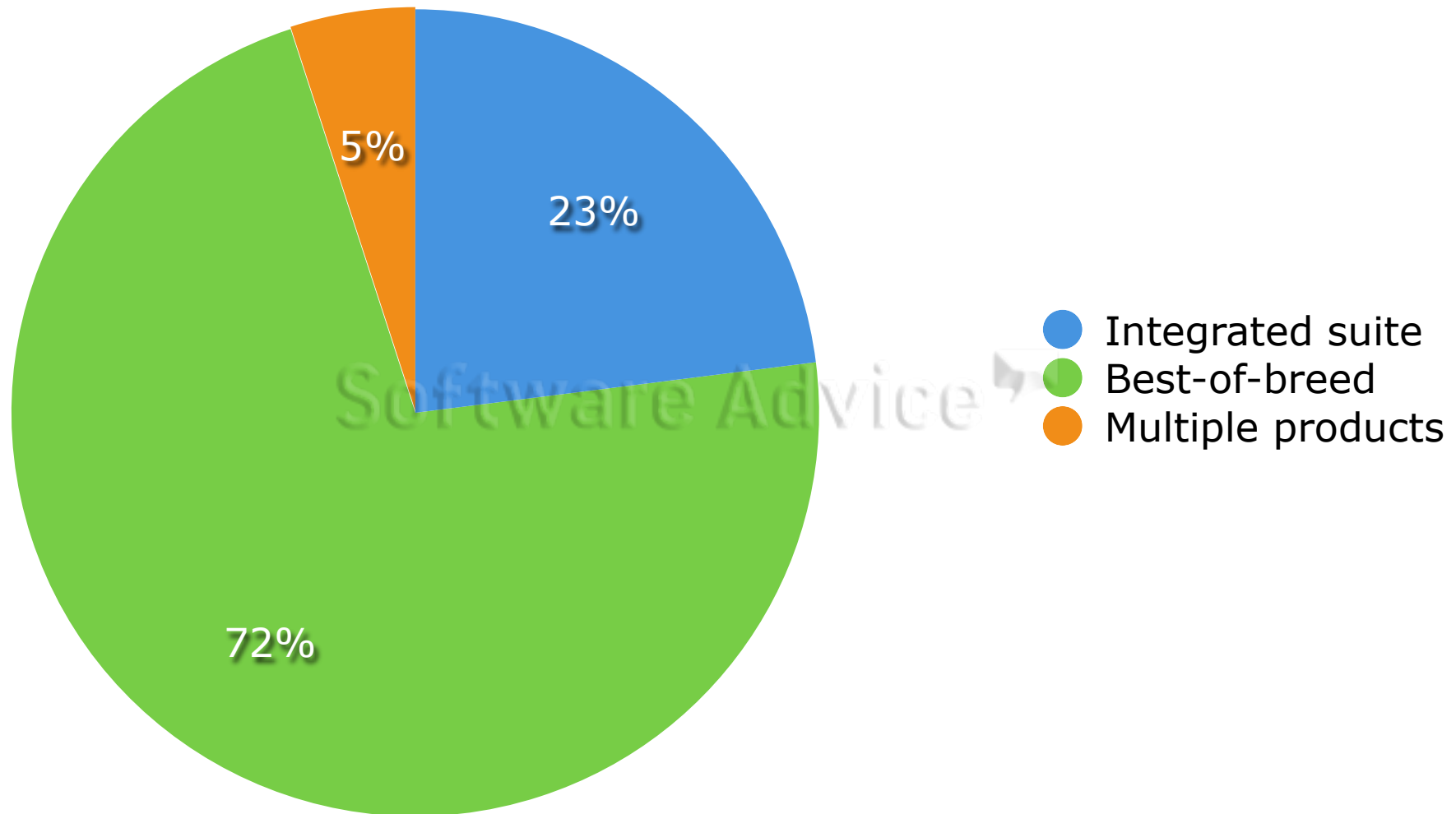
Seventy-two percent of the prospective buyers were interested in evaluating only a "best-of-breed" solution, while 23 percent said they wanted an integrated suite.

Deployment Preferences

11%

5%

84%

- Cloud-based
- On-premise
- No preference stated

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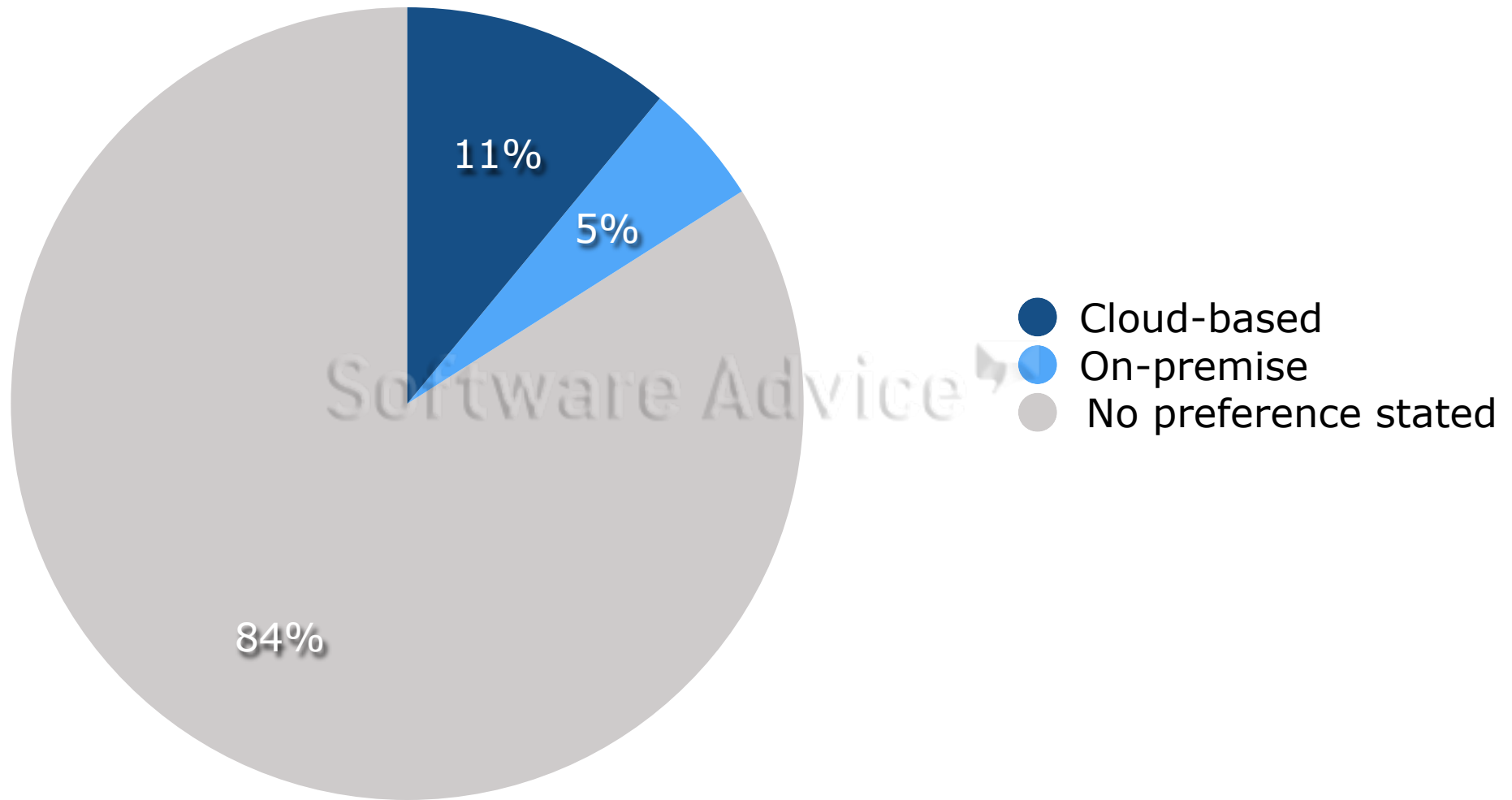
Eighty-four percent of buyers had not yet made a decision on a deployment model, while 11 percent preferred a cloud-based solution (hosted on the Web).

Top Reasons for Software Purchases

Horizontal bar chart. X-axis: "Percent of sample" from 0% to 40%.

- Automate/organize processes: ~38%
- Modernize: ~26%
- Greater functionality: ~25%
- Company growth: ~11%

When asked why they were evaluating SCM software, 38 percent of buyers said they were hoping to automate and organize processes within their businesses.
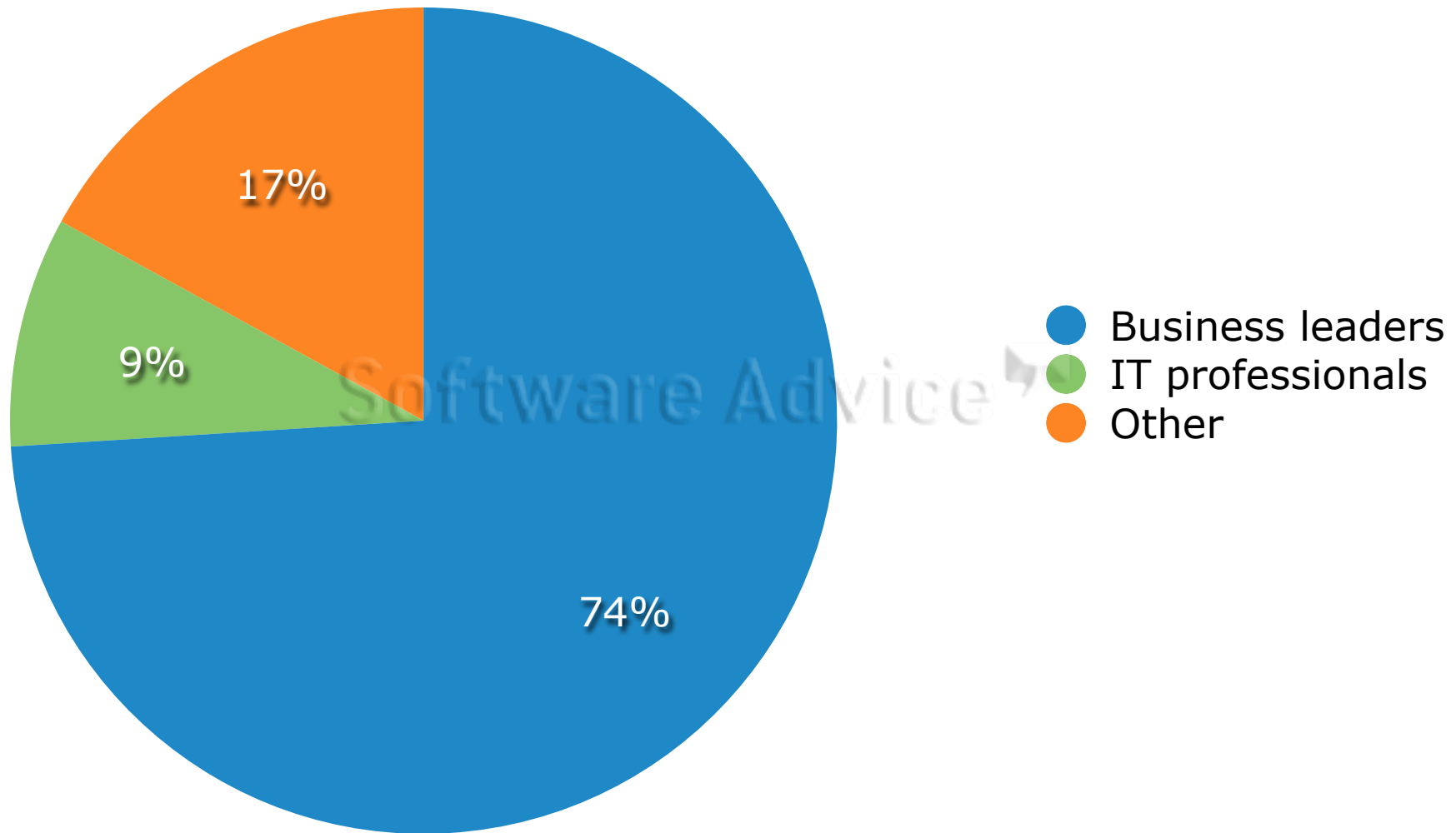
Prospective Buyer Size by Number of Employees

- 1-50 — 45%
- 51-100 — 7%
- 101-500 — 25%
- 501-1,000 — 8%
- 1,001+ — 14%
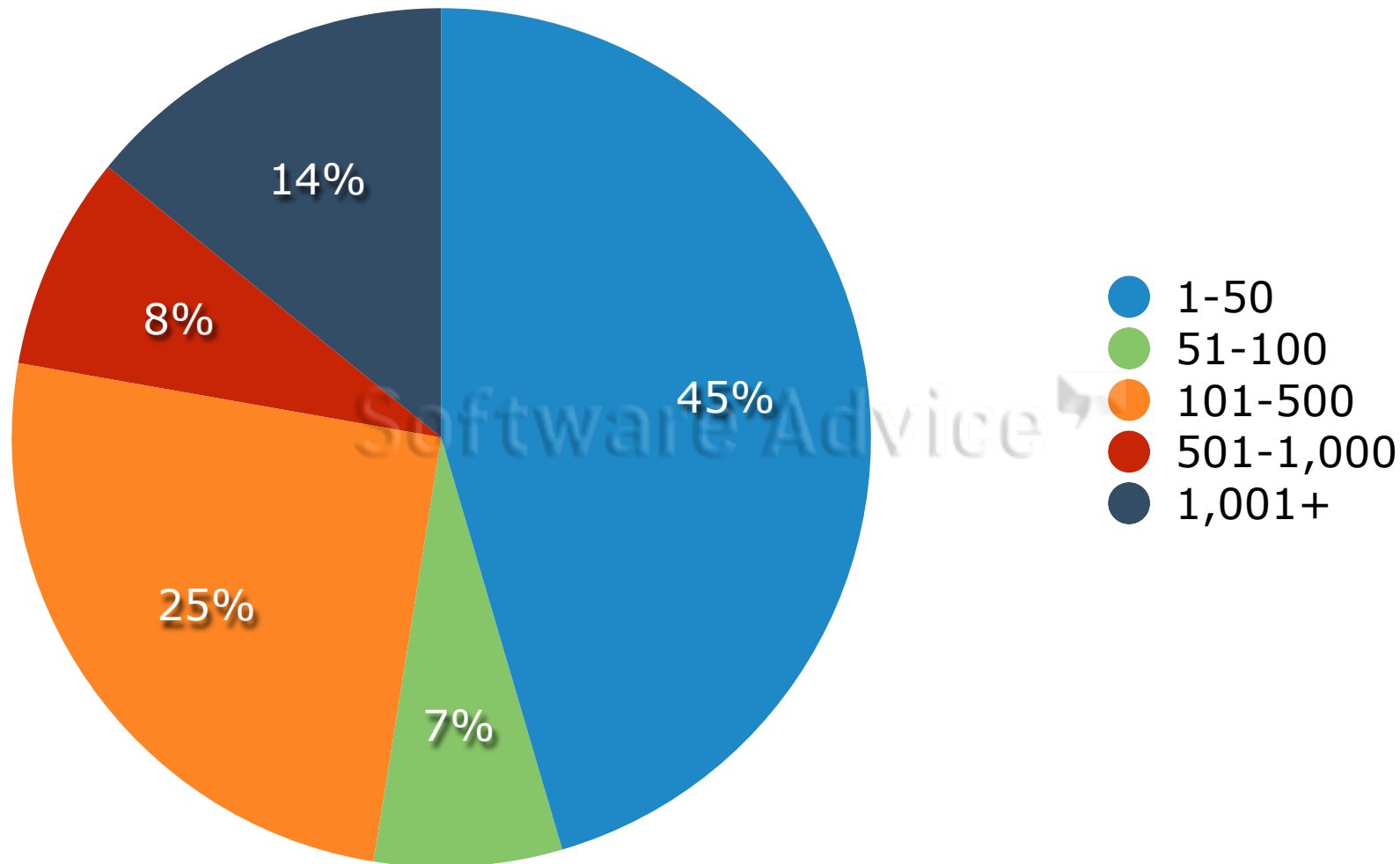
Over half of prospective buyers we spoke with were from companies with 100 or fewer employees.

Prospective Buyers by Role

- Business leaders
- IT professionals
- Other

17%

9%

74%
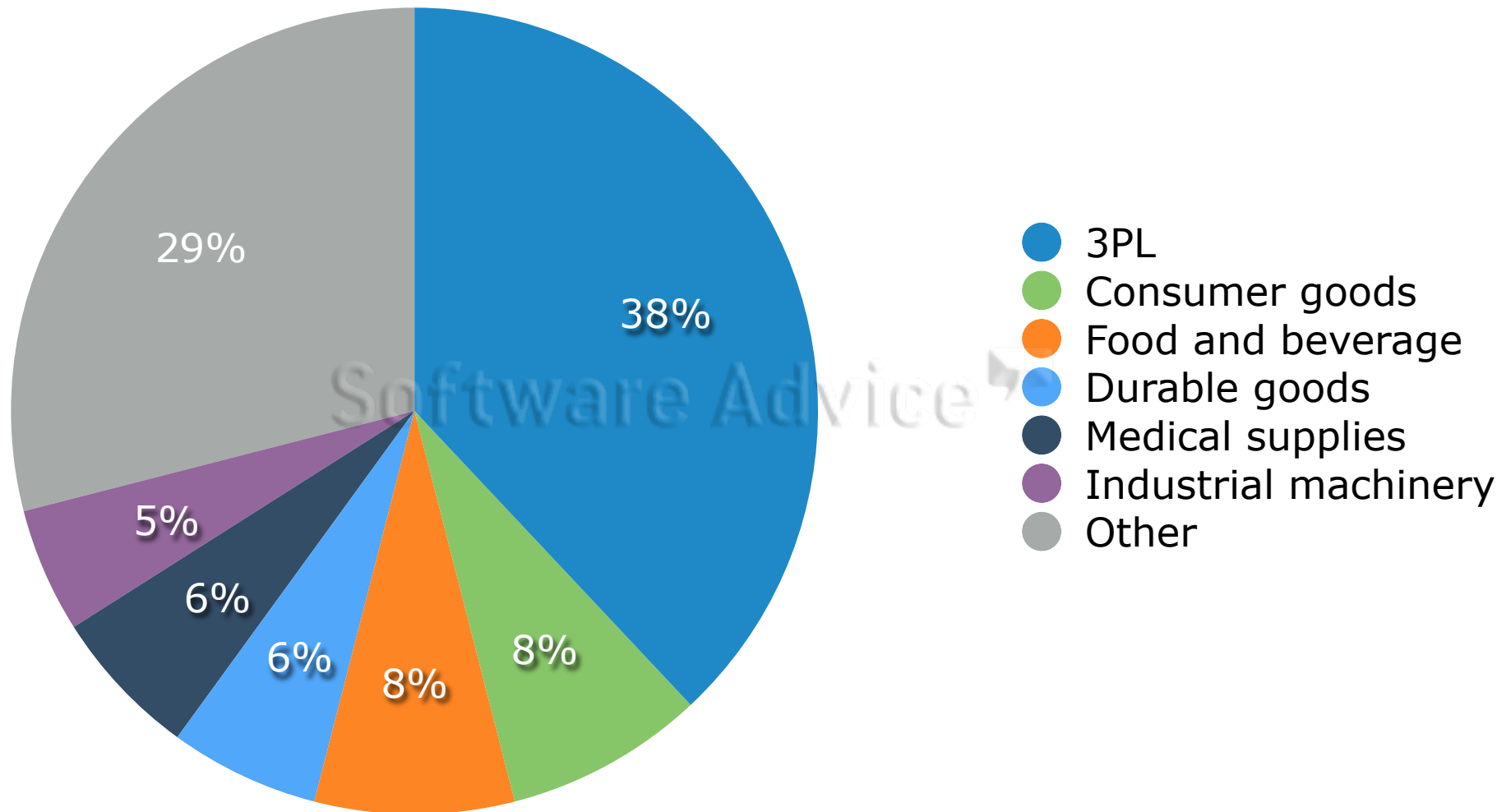
Seventy-four percent of the buyers we spoke to were either business owners, C-suite executives or high-level business managers within their company.

Prospective Buyers by Industry

- 3PL
- Consumer goods
- Food and beverage
- Durable goods
- Medical supplies
- Industrial machinery
- Other

38%

29%

5%

6%

6%

8%

8%

Thirty-eight percent of buyers were from third-party logistics (3PL) providers, which offer outsourced supply chain management services to their customers.

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